

Message Text

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64

ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-02

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 LAB-04

SIL-01 L-03 H-02 PA-02 PRS-01 /101 W

----- 068406

R 141728Z AUG 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 2140

INFO AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS BONN 13179

DEPARTMENT PASS TREASURY

E.O. 11652: N/A

TAGS: EFIN, GW

SUBJECT: BUNDESBANK REDUCES DISCOUNT AND LOMBARD RATES.

1. THE CENTRAL BANK COUNCIL IN ITS FIRST MEETING AFTER THE SUMMER BREAK, AND ATTENDED BY BOTH FINANCE MINISTER APEL AND STATE SECRETARY POEHL, ANNOUNCED A HALF PERCENT REDUCTION EFFECTIVE AUGUST 15 IN BOTH THE DISCOUNT AND LOMBARD RATES, TO 4 AND 5 PERCENT RESPECTIVELY. AT THE SAME TIME AGREEMENT WAS REACHED BETWEEN THE BUNDESBANK AND THE FEDERAL GOVERNMENT TO REMOVE THE HERETOFORE EXISTING APPROVAL REQUIREMENT FOR INTEREST PAYMENTS ON

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NON-RESIDENT BANK DEPOSITS.

2. A BUNDESBANK OFFICIAL TELLS US THAT IN VIEW OF
CURRENT INTERNATIONAL INTEREST RATE COMPARISONS THE
ACTION REGARDING NON-RESIDENT BANK DEPOSITS IS MAINLY
SYMBOLIC AND IS NOT EXPECTED TO HAVE A SIGNIFICANT
EFFECT ON CAPITAL MOVEMENT.
CASH

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: CENTRAL BANK, MEETINGS, DISCOUNT (EXCHANGE RATE)
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Draft Date: 14 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Margaret P. Grafeld
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06 JUL 2006

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To: STATE
Type: TE
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